



State of Wisconsin
2015 - 2016 LEGISLATURE

LRB-1288/P2
TJD:cmh&kjf:rs

DOA:.....Dombrowski, BB0457 - Disproportionate share hospital supplement

FOR 2015-2017 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

The bill allocates moneys for the fiscal biennium for DHS to make supplemental payments to certain hospitals that have a disproportionate share of low-income patients and sets specifications for those payments.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 9118. Nonstatutory provisions; Health Services.

(1) DISPROPORTIONATE SHARE HOSPITAL PAYMENTS.

(a) Subject to paragraph (c) and notwithstanding section 49.45 (3) (e) of the statutes, from the appropriation accounts in section 20.435 (4) (b) and (o) of the

statutes, the department of health services shall pay to hospitals that serve a disproportionate share of low-income patients a total of \$35,910,900 in fiscal year 2015–16 and \$35,842,300 in fiscal year 2016–17. The department of health services may make a payment to a hospital under this subsection under the calculation method described in paragraph (b) if the hospital meets all of the following criteria:

1. The hospital is located in this state.
2. The hospital provides a wide array of services, including services provided through an emergency department.
3. The inpatient days for Medical Assistance recipients at the hospital was at least 6 percent of the total inpatient days at that hospital during the most recent year for which such information is available.
4. The hospital meets applicable, minimum requirements to be a disproportionate share hospital under [42 USC 1396r-4](#) and any other applicable federal law.

(b) The department of health services shall comply with all of the following when making payments to hospitals described in paragraph (a):

1. The department of health services shall distribute the total amount of moneys described under paragraph (a) to be paid to hospitals with a disproportionate share of low-income patients by doing all of the following:
 - a. Dividing the number of Medical Assistance recipient inpatient days at a hospital by the number of total inpatient days at the hospital to obtain the percentage of Medical Assistance recipient inpatient days at that hospital.
 - b. Subject to subdivisions 2. and 3., providing an increase to the inpatient fee-for-service base rate for each hospital that qualifies for a disproportionate share hospital payment such that the hospital's overall fee-for-service add-on percentage

under this subsection increases as the hospital's percentage of Medical Assistance recipient inpatient days increases.

2. The department of health services shall set the addition to the supplemental funding at a level that ensures the total amount of moneys available to pay hospitals with a disproportionate share of low-income patients is distributed in each fiscal year.

3. The department of health services shall limit the maximum payment to hospitals such that at least one of the following is true for disproportionate share hospital payments under this subsection in a fiscal year:

a. No single hospital receives more than \$2,500,000.

b. The amount of payment is in accordance with federal rules concerning the hospital specific limit.

(c) If the department of health services needs data to calculate the payments under this subsection other than the data available from the Medicaid Management Information System, the fiscal survey data, or the federal centers for Medicare and Medicaid services public records, the department of health services shall collect the necessary data from hospitals.

(d) The department of health services shall seek any necessary approval from the federal department of health and human services to implement the hospital payment methodology described under paragraphs (a) and (b). If approval is necessary and approval from the federal department of health and human services is received, the department of health services shall implement the payment methodology described under paragraphs (a) and (b). If approval is necessary and the department of health services and the federal department of health and human services negotiate a methodology for making payments to hospitals with a

disproportionate share of low-income patients that is different from the methodology described under paragraphs (a) and (b), the department of health services, before implementing the negotiated payment methodology, shall submit to the joint committee on finance the negotiated payment methodology. If the cochairpersons of the committee do not notify the department of health services within 14 working days after the date of the submittal by the department of health services that the committee has scheduled a meeting for the purpose of reviewing the negotiated payment methodology, the department of health services may implement the negotiated payment methodology. If, within 14 working days after the date of the submittal by the department of health services, the cochairpersons of the committee notify the department of health services that the committee has scheduled a meeting for the purpose of reviewing the negotiated payment methodology, the negotiated payment methodology may be implemented only on approval of the committee.

(END)